

**Steward, William**

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**From:** Kweku Adoboli [REDACTED]  
**Sent:** 14 September 2011 14:30  
**To:** Steward, William  
**Cc:** [REDACTED]  
**Subject:** An Explanation of my Trades

Hello Will,

Its with great stress and disappointment that I write this mail.

First of all, the ETF trades that you see on the ledger are not trades that have been done with a counterparty as I have previously described. I used the bookings as a way to suppress the PnL losses that I have accrued through off book trades that I made. Those trades which were previously profit making, became loss making as the market sold off aggressively through the aggressive selloff days of July and early August.

Initially I had been short futures through June and those lost money when the first Greek confidence vote went through in mid June. In order to try and make the money back I flipped the trade long through the rally. Although I had a couple of opportunities to unwind the long trade for a negligible loss, I did not move quickly enough and the market weakness on the back of first bad macro data and then an escalating Eurozone crisis cost me the losses you will see when the ETF bookings are cancelled. The aim has been to try and make the money back before the September expiry came through, but clearly that has failed. There are still live trades on the book that will need to be unwound. Namely a short position in DAX Futures (which have been rolled to December expiry) and a short position in S&P 500 Futures that are due to expire on Friday. I have now left the office for the sake of discretion. I will need to come back in to discuss the positions and explain face to face, but for reasons that are obvious, I did not think it wise to stay on the desk this afternoon.

I fully expect that questions will be asked as to why nobody else was aware of these trades. The reality is that I have always maintained that these were EFP trades to the members of my team, BUC, trade support and John DiBacco. I take full responsibility for my actions and the sh!t storm that will now ensue. I am deeply sorry to have left this mess for everyone and to have put my bank, and my colleagues at risk.

Thanks,  
Kweku